



# **BANK OF THAILAND NEWS**

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## **Bilateral Meeting Between Bank of Thailand and Bank Negara Malaysia**

Senior officials of Bank Negara Malaysia and Bank of Thailand met in Bangkok on 30 May 2009 as part of their regular dialogue and exchange of views on current issues facing the domestic, regional and international economy and financial system. The bilateral meeting was attended by Dr. Tarisa Watanagase, Governor, Bank of Thailand and Dr. Zeti Akhtar Aziz, Governor, Bank Negara Malaysia.

The Meeting reviewed recent economic and monetary developments in Malaysia and Thailand, and discussed the issues as well as implications of the global financial crisis on their respective economies and financial systems. Both Central Banks shared their experiences on their policy responses to deal with the spillover effects of the global financial crisis and the sharp contraction in economic activities in the major advanced economies.

The Meeting noted that the financial system in both Malaysia and Thailand is strong and resilient and that financing to the economy has been flowing adequately. The meeting also discussed avenues to further strengthen bilateral initiatives in the financial system to reinforce the high degree of economic and trade integration of both Malaysia and Thailand. The Governors agreed to explore and pursue new avenues of cooperation and to broaden the activities of financial institutions in their respective economy.

The Meeting also reinforced the view that a strong balance sheet with adequate capital buffers, sound risk management and good governance process in financial institutions are critical to the building of a resilient and well functioning financial sector. This in fact has been achieved in the financial system of both countries. Accordingly, the meeting shared a concern that the approach being adopted by international rating agencies to give importance to the capacity of government to provide assistance to financial institutions could send a wrong signal to the market and induce incentives for greater risk taking by financial institutions.

Bank of Thailand and Bank Negara Malaysia

30 May 2009